

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC
SERVICE COMMISSION HELD IN ITS OFFICES ON DECEMBER 9, 2016

Commission Chairman Sally A. Talberg called the meeting to order at 1:30 p.m.
Executive Secretary Kavita Kale called the roll and declared there was a quorum.

PRESENT

Commission: Sally A. Talberg, Chairman
Norman J. Saari, Commissioner
Rachael A. Eubanks, Commissioner

Staff: Jana Bachman
Judy Palnau
Kavita Kale
Gary Kitts
Al Freeman
Derrell Slaughter
Lisa Gold
Gloria Pearl Jones

Public: Donald Hazzard
Candace Gonzales, Consumers Energy
Suzy Westmoreland, MEGA
Theresa Staley, Miller Canfield
Steve McLean, SEMCO
Adella F. Crozier, DTE Energy
Raj Telang, DTE Energy
Yvette Collins, AT&T
Jacob Kanclerz, MIRS

- I.** Commissioner Saari moved to approve today's agenda, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The agenda was approved.

- II.** Commissioner Saari moved to approve the minutes of the Regular Commission Meeting of November 22, 2016, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-13175 AT&T MICHIGAN AND BROADVIEW NETWORKS, INC.
U-13328 AT&T MICHIGAN AND US SIGNAL COMPANY, L.L.C.
U-14166 AT&T MICHIGAN AND NEUTRAL TANDEM-MICHIGAN, LLC
U-16549 AT&T MICHIGAN AND 123.NET. INC.
U-18198 CENTURYTEL MIDWEST-MICHIGAN, INC., CENTURYTEL OF
MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN,
INC., AND CENTURYTEL OF UPPER MICHIGAN, INC., ALL d/b/a
CENTURYLINK AND BCN TELECOM, INC.
(interconnection agreements and amendments)

Case No. U-13175 *et al.* requests Commission approval of interconnection agreements and amendments. The order before you approves the requests. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-16557 TELRITE CORPORATION, d/b/a LIFE WIRELESS
(expansion – ETC (low-income))

Case No. U-16557 involves an application filed by Telrite Corporation, d/b/a Life Wireless, to expand its designated eligible telecommunications carrier service area. The order before you approves the application. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. U-18213 COMMISSION'S OWN MOTION
(FCC waiver)

Case No. U-18213 involves the Federal Communications Commission's waiver of certain Lifeline eligibility rules for Michigan. The order before you directs all eligible telecommunications carriers in Michigan to continue to use the existing Michigan Lifeline Eligibility Database, and to include membership in the Veterans and Survivors Pension Benefit Program as an eligible criteria for potential Lifeline customers. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

B. ELECTRIC

1. U-17493 CONSUMERS ENERGY COMPANY
(CARE program application)

Case No. U-17493 involves an application by Consumers Energy Company for *ex parte* approval of its Consumers Affordable Resource for Energy program and related amended tariffs. The order before you denies the application, but approves renewal of the pilot program for fiscal year 2017. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-17829 COMMISSION'S OWN MOTION
(closing docket)

Case No. U-17829 is a docket opened on the Commission's own motion to require Wisconsin Electric Power Company to show cause why it should not be prohibited from suspending operation of or retiring the Presque Isle Power Plant. The order before you formally closes the

docket. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. U-17862 WISCONSIN ELECTRIC POWER COMPANY
(special contract)

Case No. U-17862 involves an *ex parte* application for an amendment to the special contract between Wisconsin Electric Power Company and Tilden Mining Company L.C. and termination of the contract between Wisconsin Electric Power Company and Empire Iron Mining Partnership. The order before you approves the *ex parte* application. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

4. U-18061 UPPER MICHIGAN ENERGY RESOURCES CORPORATION
(settlement)

Case No. U-18061 involves an application filed by Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Upper Michigan Energy Resources Corporation under MCL 460.6q regarding the proposed creation of a new Michigan-only jurisdictional utility. The order before you approves a settlement agreement, with additional conditions, that resolves all issues in this case. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

5. U-18141 ALPENA POWER COMPANY
(’17 PSCR plan)

Case No. U-18141 involves an application by Alpena Power Company for authority to implement a power supply cost recovery plan for the 12-month period ending December 31, 2017. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

6. U-18168 HOMEWORKS TRI-COUNTY ELECTRIC COOPERATIVE
(choice tariff changes)

Case No. U-18168 involves an *ex parte* application by HomeWorks Tri-County Electric Cooperative for approval to revise its Large Power Service Rate – Choice, Schedule CD-C, and its Primary Service Rate – Choice, Schedule PSDS-C. The order before you approves the *ex parte* application. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

7. U-18201 DETROIT THERMAL, LLC
(steam sales agreement)

Case No. U-18201 involves an application by Detroit Thermal, LLC, for approval of a steam sales agreement. The order before you approves the application. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

8. MINUTE ACTION INDIANA MICHIGAN POWER COMPANY
(court remand, U-17283 and U-17603)

Adopt and issue minute dated December 9, 2016, directing the Commission's Executive Secretary to communicate to the parties to *Indiana Michigan Power Company v Public Service Commission*, Michigan Court of Appeals Docket Nos. 326405 and 327716, that, by an unpublished order of the Court of Appeals dated November 29, 2016 in those dockets, these cases have been remanded for further consideration by the Commission in light of the Court of Appeals' decision in *Enbridge Energy Ltd Partnership v Upper Peninsula Power Co*, 313 Mich App 669 (2015), and that the Commission intends to await a final determination by the Michigan Supreme Court of the currently pending applications for leave to appeal in the *Enbridge* case. Commissioner Saari moved that the Commission approve the minute at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minute was adopted.

C. GAS

1. U-17975 SEMCO ENERGY GAS COMPANY
(tariff revision)

Case No. U-17975 involves an application filed by SEMCO Energy Gas Company for authority to implement new and revised tariff sheets related to curtailment. The order before you approves the application. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-17999 DTE GAS COMPANY
(rate case)

Case No. U-17999 involves an application filed by DTE Gas Company for authority to increase its rates for the distribution of natural gas and for other relief. The order before you authorizes DTE Gas Company to implement an increase of \$122,269,000 over the level of rates authorized in the utility's most recently completed rate case, and grants other forms of regulatory

relief, effective for service rendered on and after December 16, 2016. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg commented:

“An important component of any rate case is the discussion on infrastructure investment and how the Commission will make sure that the utility has adequate resources to perform the needed work to safely deliver energy to its customers.

Infrastructure development takes on additional importance in light of the Governor’s report released this week from the 21st Century Infrastructure Commission. The report included a recommendation to accelerate plans to replace at-risk natural gas distribution pipes to guarantee Michigan natural gas distribution system is safe and reliable.

To quote from the Infrastructure report: “Many miles of Michigan’s pipeline infrastructure that transports natural gas are outdated or have surpassed their useful lifespan, making them one of the State’s most pressing issues regarding its energy future.”

The gas rate order today for DTE Gas is very timely. The pipeline infrastructure issues are addressed in DTE Gas’s application and were subject to subsequent discussion by the parties in this case when it was before the Administrative Law Judge. The Commission Staff and DTE Gas agreed on spending levels under the Infrastructure Recovery Mechanism that allow recovery of certain costs incurred in the pipeline integrity program, the meter move out program and the main renewal program.

These three programs are all designed toward enhancing natural gas safety and improving reliability in the delivery of gas to residential, commercial and industrial customers. The Commission continues its support of DTE Gas’s main replacement program and is encouraged that the company has increased its pipe replacement target to over 100 miles annually. Still the utility is a long way from its goal of eliminating all cast iron and unprotected steel mains in the next 25-30 years.

The Commission has set realistic goals for DTE Gas to continue to move gas meters from inside a home or building to an outside location for better access.

The Commission staff will continue to monitor the progress shown by DTE Gas as it invests wisely to accomplish the goals set out in this order to upgrade its natural gas distribution system.”

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. U-18212 DTE GAS COMPANY
(GIK rate)

Case No. U-18212 is an application filed by DTE Gas Company for *ex parte* approval to reduce its gas-in-kind rates beginning December 1, 2016. The order denies the application. Commissioner Saari moved that the Commission approve the order at its December 9, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Talberg announced that the next regularly scheduled Commission Meeting will be held on December 20, 2016 at 1:30 p.m.

Commissioner Saari moved that the Commission adjourn, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The motion was approved.

The meeting adjourned at 1:44 p.m.

Kavita Kale
Executive Secretary